

Summary of Consolidated Financial Results

6th February 2004

for the third quarter ended December 31, 2003 (Unaudited)

Nissho Iwai-Nichimen Holdings Corporation

(URL <http://www.nn-holdings.com>)

Listed stock exchange : The first sections of Tokyo and Osaka

Headquarters : Tokyo

Securities Code : 2768

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1. Consolidated Financial Results for the 3rd Quarter of Fiscal Year ending March 2004 (April 1, 2003 - December 31, 2003)

(1) Consolidated Operating Results (April 1, 2003 - December 31, 2003) (Rounded to millions of Japanese Yen)

	Net Sales		Operating Income		Recurring Profit		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
3rd Qtr. of FY 2003	4,410,015	-	45,161	-	32,188	-	-11,763	-
3rd Qtr. of FY 2002	-	-	-	-	-	-	-	-
(Ref)FY 2002	-	-	-	-	-	-	-	-

	EPS		Adjusted EPS	
	Yen		Yen	
3rd Qtr. of FY 2003	-61.81		-	-
3rd Qtr. of FY 2002	-		-	-
(Ref)FY 2002	-		-	-

(2) Consolidated Operating Results (October 1, 2003 - December 31, 2003) (Rounded to millions of Japanese Yen)

	Net Sales		Operating Income		Recurring Profit		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
3rd Qtr. of FY 2003	1,387,973	-	18,554	-	13,113	-	5,745	-

Descriptive analysis of Consolidated Operating Results

Net sales for the 3rd Qtr. of FY 2003 were JY 4,410.0 billion, logging a progress of 74.4% vis-a-vis the annual forecast announced on November 13, 2003. Gross trading profit was JY 184.7 billion and SG&A expenses was JY 139.5 billion, resulting in an operating income of JY 45.2 billion. Recurring profit of JY 32.2 billion was appropriated, marking a progress of 67.1% vis-a-vis the annual forecast announced on November 13, 2003. With an extraordinary loss-net amounting to JY 35.8 billion, a net loss (after taxes) of JY 11.8 billion was registered in the third quarter.

(3) Financial Position (Consolidated)

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	BPS
	Millions of Yen	Millions of Yen	%	Yen
3rd Qtr. of FY 2003	3,293,011	340,142	10.3	359.14
3rd Qtr. of FY 2002	-	-	-	-
(Ref)FY 2002	-	-	-	-

Descriptive analysis of Financial Position (Consolidated)

Equity finance to the sum of JY 273.2 billion was raised in May 2003 (Preferred shares : JY 266.0 billion, Common shares: JY 7.2 billion), thus increasing the company's capital. Through the JY 50.0 billion capital-raising commitment facility established in May, Convertible Bonds (Yen denominated CBs) amounting to JY 10.0 billion were issued by December, 2003. Of these, CBs amounting to JY 5.0 billion were converted to common stock, with the current balance standing at JY 5.0 billion (December 2003).

(4) Number of consolidated subsidiaries and companies accounted for by the equity method

Consolidated subsidiaries	378
Unconsolidated subsidiaries (accounted for by the equity method)	26
Unconsolidated affiliates (accounted for by the equity method)	214

(Note) The 3rd Quarter Financial Results have not been audited.

2. Consolidated Earnings Forecast for Fiscal Year ending March 2004 (April 1, 2003 - March 31, 2004)

	Net Sales (Forecast)	Recurring Profit (Forecast)	Net Income (Forecast)	EPS
	Millions of Yen	Millions of Yen	Millions of Yen	Yen
Annual	5,930,000	48,000	-29,000	-149.06

This forecast is based on rational assumptions and beliefs in light of the information currently available to the management, and is subject to uncertainties that could cause actual results to differ materially from this information.

Consolidated Statements of Operations
for the third quarter ended December 31, 2003

	Third quarter (Apr. 1, 2003 - Dec. 31, 2003)	Percentage of Net sales	Semiannual results (Apr. 1, 2003 -	Quarterly results (Oct. 1, 2003 - Dec. 31, 2003)
	Millions of yen	%	Millions of yen	Millions of yen
Net sales	4,410,015	100.00	3,022,042	1,387,973
Cost of sales	(4,225,297)	(95.81)	(2,899,718)	(1,325,579)
Gross trading profit	184,718	4.19	122,323	62,394
Selling, general and administrative expenses	(139,556)	(3.17)	(95,717)	(43,839)
Operating income	45,161	1.02	26,606	18,554
Interest income	17,964	0.41	12,852	5,112
Dividend income	3,043	0.07	2,047	996
Equity in gains of unconsolidated subsidiaries and affiliates-net	3,781	0.08	1,866	1,914
Other income	14,930	0.34	11,379	3,551
Non-operating profit	39,719	0.90	28,145	11,574
Interest expenses	(40,976)	(0.93)	(27,956)	(13,019)
Interest expenses on commercial papers	(1,393)	(0.03)	(773)	(619)
Other expenses	(10,322)	(0.23)	(6,946)	(3,375)
Non-operating expenses	(52,692)	(1.19)	(35,677)	(17,015)
Recurring profit	32,188	0.73	19,074	13,113
Extraordinary loss-net	(35,789)	(0.81)	(33,050)	(2,739)
Income (loss) before income taxes	(3,601)	(0.08)	(13,975)	10,374
Income taxes; Current	(8,495)	(0.19)	(5,487)	(3,007)
Deferred	1,901	0.04	2,875	(973)
Minority interests in consolidated subsidiaries	(1,569)	(0.04)	(922)	(647)
Net income (loss)	(11,763)	(0.27)	(17,509)	5,745

Consolidated Balance Sheets

As of December 31, 2003

Assets

	Millions of yen
Current assets;	
Cash and deposits	409,271
Trade notes and trade accounts receivables	818,310
Short-term securities	16,585
Inventories	289,078
Short-term loans	192,487
Deferred tax assets--current	14,833
Other current assets	203,204
Allowance for doubtful receivables	(41,662)
Total current assets	1,902,109
 Fixed assets;	
Tangible assets	512,270
Intangible assets;	
Goodwill	40,646
Other intangible assets	29,879
 Investments and other fixed assets;	
Investments securities	427,110
Long-term loans	223,801
Deferred tax assets--non-current	76,761
Deferred tax assets--revaluation	2,285
Others	198,059
Allowance for doubtful receivables	(121,376)
Total fixed assets	1,389,439
 Deferred assets	 1,463
Total assets	 3,293,011

Consolidated Balance Sheets

As of December 31, 2003

Liabilities and shareholders' equity

Millions of yen

	Millions of yen
Liabilities	
Current liabilities	
Trade notes and trade accounts payables	565,398
Short-term debts	1,437,741
Commercial paper	111,790
Current portion of bonds	40,682
Income taxes payable	6,161
Deferred tax liabilities--current	203
Allowance for restructuring loss	617
Other current liabilities	239,434
Total current liabilities	2,402,029
Non-current liabilities;	
Bonds, less current portion	42,641
Long-term borrowings	447,126
Allowance for retirement benefits	12,894
Deferred tax liabilities--non-current	9,508
Other non-current liabilities	25,553
Total non-current liabilities	537,725
Total liabilities	2,939,755
Minority Interest in consolidated subsidiaries	13,114
Shareholders' equity	
Common stock and preferred stock	149,106
Additional paid-in capital	345,119
Accumulated deficit	(61,350)
Loss on land revaluation	(6,376)
Unrealized losses on available-for-sale securities	400
Foreign currency translation adjustments	(86,672)
Treasury stock	(85)
Total shareholders' equity	340,142
Total liabilities and shareholders' equity	3,293,011

Segment Information
for the third quarter ended December 31, 2003

Business Segments

Millions of yen

	Machinery	Energy & Mineral Resources	Chemicals & Plastics	Housing & Consumer Products	Overseas Subsidiaries	Other	Total	Elimination	Consolidated
Net sales									
Outside customers	856,856	1,249,145	476,239	999,057	639,600	189,115	4,410,015	-	4,410,015
Inter-segment	9,039	58,258	9,882	19,484	246,096	37,048	379,810	(379,810)	-
Total	865,895	1,307,404	486,122	1,018,541	885,696	226,164	4,789,825	(379,810)	4,410,015
Operating expenses	855,332	1,301,343	474,230	998,718	885,230	219,937	4,734,793	(369,939)	4,364,854
Operating income	10,563	6,060	11,892	19,822	466	6,226	55,032	(9,870)	45,161
Total assets	457,821	356,950	466,810	878,574	761,857	381,983	3,303,995	(10,985)	3,293,009

'Housing & Consumer Products' category is composed of 'Textiles', 'Foodstuffs', 'Construction', 'Forest Products' and 'General Merchandise & Retail'. 'Metals' and 'Information Industries' are included in the 'Other' category.



**Results for Nine-Month Period
Ended December 31, 2003
- Speed & Action -**

**Nissho Iwai – Nichimen Holdings Corporation
February 6, 2004**

Overview of Third Quarter of Fiscal Year Ending March 31, 2004 (1)

(Third quarter of fiscal year ending March 31, 2004)

- ◆ Rationalization efforts (integration of subsidiaries, personnel reduction) substantially ahead of Business Plan. Expect to achieve overall Three-Year Business Plan targets at the close of the first year. Rationalization efforts in the first year anticipated to contribute to profitability from the second year.
- ◆ Developed a business framework in an effort to achieve Business Plan targets. Introduced new management indicator NNVA as a core feature of Group management. Worked toward business portfolio optimization based on a strategy of “Selection and Focus” utilizing “NNVA Management.”

Overview of Third Quarter of Fiscal Year Ending March 31, 2004 (2)

(Results for the Nine-Month Period Ended December 31, 2003
and Forecasts for the Full Fiscal Year)

- ◆ Gross trading profit for the nine-month period ended December 31, 2003 totaled approximately 67% of the full-year forecasts announced in conjunction with first-half results, while operating income reached 65% and recurring profit 67% of the full-year forecasts.
 - (1) Drop in the pace of gross trading profit growth attributed to the concentration of expected profit in the fourth quarter, delays in new investment scheduled for the second half, and the impact of weak contributions from the construction segment and overseas subsidiaries.
 - (2) Impact on operating income and recurring profit partially offset by positive contributions from rationalization efforts and a drop in selling, general and administrative expenses due to delays in new investment.
- ➔ Downward review of full-year forecasts for gross trading profit and operating income offset by anticipated improvements in non-operating profit and loss. Full-year forecast for recurring profit to remain unchanged at ¥48 billion.

Financial Results for the Nine-Month Period Ended December 31, 2003 and Full-Year Forecasts

(Billions of Yen)	Nine-Month Period Ended December 31, 2003	Full Year Forecasts		Full Year Forecasts (Revised)
		(Announced on November 13, 2003)	Percentage Achieved in Nine-Month Period *	
Net sales	4,410.0	5,930.0	74%	5,930.0
Gross trading profit	184.7	274.0	67%	252.0
SG&A expenses	- 139.5	- 204.0	68%	- 186.0
Operating income	45.2	70.0	65%	66.0
Non-operating profit/loss—net	- 13.0	- 22.0	-	-18.0
Recurring profit	32.2	48.0	67%	48.0
Extraordinary profit/loss—net	- 35.8	- 60.0	-	- 60.0
Net income/loss before tax	- 3.6	- 12.0	-	- 12.0
Net income/loss	- 11.8	- 29.0	-	- 29.0

* Results as a percentage of full-year forecasts announced November 13, 2003.

Gross Trading Profit (by Operating Segment)

(Nov. 13,
2003)

(Feb. 6,
2004)

(Billions of Yen)

	Nine Months Ended Dec. 31, 2003 (Result)	Full Year Forecasts (Announced on November 13, 2003)	Percentage of Full Year Forecasts *	Full Year Forecasts (Revised)	Main Factors for Revision
Machinery	32.3	47.0	69 %	47.0	Activities trend toward the period-end. Essentially on track to meet year-end forecasts. Year-on-year profit increase forecast.
Energy & Mineral Resources	20.2	28.0	72 %	26.5	Essentially on track to meet year-end forecasts. On par with the previous fiscal year.
Chemicals & Plastics	33.2	42.5	78 %	42.5	Essentially on track to meet year-end forecasts.
Textiles	15.7	20.5	77 %	21.0	Essentially on track to meet year-end forecasts. On par with the previous fiscal year.
Foodstuffs	10.4	15.5	67 %	14.5	Essentially on track to meet year-end forecasts. BSE and bird influenza Concerns to impact results slightly.
Construction	11.5	20.5	56 %	17.5	Activities trend toward the period-end. Drop in spot trading anticipated.
Forest Products	8.5	11.5	74 %	11.0	Essentially on track to meet year-end forecasts. On par with the previous fiscal year.
General Merchandise & Retail	10.9	17.0	64 %	15.0	Drop in restaurant industry due to the impact of BSE concerns (significant increase in year-on-year profit).
Overseas Subsidiaries	20.7	33.0	63 %	28.0	Appreciation of the yen. Drop in U.S. general merchandise trade and Certain affiliated company activities.
Others	21.3	38.5	55 %	29.0	Decrease due to delay in new investment
Total	184.7	274.0	67 %	252.0	

* Results as a percentage of full-year forecasts announced November 13, 2003.

Progress of Rationalization Plan and Forecasts

Initial Business Plan Rationalization Targets Essentially Achieved in the First Year of the Plan

◆ Progress of Rationalization Plan and Forecasts

(Reductions in number of employees and bases from September 30, 2002)

	Rationalization Plan		Progress in the First Year (Results and Forecasts)		
	As of September 30, 2002	Reduction Planned by March 31, 2006	Reduction as of December 31, 2003	Reduction Forecasts by March 31, 2004	Remarks
Number of Employees (Consolidated)*	21,800	- 6,200	- 5,500	- 6,000	Rationalization Plan reduction targets essentially achieved in the first year.
Number of Subsidiaries (Consolidated)*	430	- 160	- 102	- 140-150	
Number of Domestic Branches	8	- 4	- 2	- 3	
Number of Overseas Operating Bases	187	- 120	- 67	- 120	Planned completion for consolidation April 2004

* Progress compared with the initial rationalization plan

Balance Sheet Results & Forecasts

(Billions of Yen)

	As of April 1, 2003	As of December 31, 2003	As of March 31, 2004 (Revised Forecasts)
Cash and time deposits	339.0	409.3	400.0
Operating assets	1,323.4	1,270.5	1,280.0
Investment & loans	889.4	874.0	880.0
Fixed assets	783.5	739.2	720.0
Total assets	3,335.3	3,293.0	3,280.0
Operating liabilities	858.3	872.9	870.0
Interest-bearing debt	2,426.6	2,080.0	2,100.0
Total liabilities	3,284.9	2,952.9	2,970.0
Shareholders' equity	50.4	340.1	310.0
Total liabilities & Shareholders' equity	3,335.3	3,293.0	3,280.0
Net interest-bearing debt	2,087.6	1,670.7	1,700.0
Net DER (Times)	41.4	4.9	5.5

Information on Future Performance (Forward-Looking Statements)

This document contains forward-looking statements about the Company's business plans and initiatives based on information available to management at the time of disclosure. Accordingly, readers are advised that actual results may differ from forward-looking statements due to a wide variety of factors.